



Reprinted
February 16, 1999

HOUSE BILL No. 1751

DIGEST OF HB1751 (Updated February 15, 1999 8:39 pm - DI 75)

Citations Affected: IC 6-7; noncode.

Synopsis: Cigarettes packaged for export. Prohibits a person from importing cigarettes that: (1) have been marked for export outside the United States with a label or notice required by federal law; or (2) violate federal requirements for the placement of labels, warnings, or other information on individual packages of cigarettes that are packaged for sale in the United States. Prohibits a person from placing a tax stamp on a package of cigarettes, cigarette papers, wrappers, or tubes unless the package complies with all federal tax laws, federal trademark and copyright laws, and all federal laws regarding the placement of labels, warnings, or other information upon a package of cigarettes, cigarette papers, wrappers, or tubes. Prohibits a person from
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Effective: July 1, 1999.

Bottorff, Linder, Hasler, Murphy

January 26, 1999, read first time and referred to Committee on Commerce and Economic Development.
February 8, 1999, amended, reported — Do Pass.
February 15, 1999, read second time, amended, ordered engrossed.

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placing a tax stamp on a package of cigarettes, cigarette papers, wrappers, or tubes if the package has been marked for export outside the United States with a label or notice required by federal law. Establishes penalties for violations of these provisions. Provides that it is not a defense in a criminal proceeding for the violation of these provisions that the label or notice required by federal law on cigarettes marked for export has been removed, mutilated, obliterated, or altered in any manner.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1751

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-7-1-24.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 1999]: **Sec. 24.5. (a) A person may not import into Indiana any**
4 **cigarettes that have been marked for export outside the United**
5 **States with a label or notice in compliance with 27 CFR 290.185 or**
6 **that violate a federal requirement for the placement of labels,**
7 **warnings, or any other information, including health hazards, on**
8 **the individual package.**

9 **(b) A person may not affix a stamp on a package of cigarettes,**
10 **cigarette papers, wrappers, or tubes unless that individual package**
11 **complies with all federal tax laws, federal trademark and copyright**
12 **laws, and all federal laws regarding the placement of labels,**
13 **warnings, or any other information upon a package of cigarettes,**
14 **cigarette papers, wrappers, or tubes.**

15 **(c) A person may not affix a stamp on a package of cigarettes,**
16 **cigarette papers, wrappers, or tubes if the individual package has**
17 **been marked for export outside the United States with a label or**

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1 notice in compliance with 27 CFR 290.185.

2 (d) Upon the discovery of any cigarettes that have been stamped
3 in violation of this section, the department shall confiscate and
4 destroy the cigarettes. The department may also confiscate and
5 destroy any vending machine or receptacle in which cigarettes
6 stamped in violation of this section are held for sale.

7 (e) A person who sells or holds for sale cigarettes bearing
8 Indiana tax stamps in violation of this section commits a Class A
9 misdemeanor.

10 (f) The possession of more than one thousand five hundred
11 (1,500) cigarettes in packages bearing Indiana tax stamps in
12 violation of this section by a person other than an employee of the
13 state or federal government performing the employee's official
14 duties in the enforcement of this chapter constitutes prima facie
15 evidence that the cigarettes are possessed for the purpose of sale.

16 (g) A person who knowingly possesses more than twelve
17 thousand (12,000) cigarettes bearing Indiana tax stamps in
18 violation of this section and who has previously been convicted of
19 a misdemeanor for a violation of this section commits a Class D
20 felony.

21 (h) It is not a defense in a criminal proceeding for a violation of
22 subsection (a) or (c) that the label or notice in compliance with 27
23 CFR 290.185 has been removed, mutilated, obliterated, or altered
24 in any manner.

25 (i) The department may revoke a distributor's registration
26 certificate for a violation of this section.

27 (j) The department is authorized to obtain and exchange
28 information with the United States customs service for the purpose
29 of enforcing this section.

30 SECTION 2. [EFFECTIVE JULY 1, 1999] IC 6-7-1-24.5, as added
31 by this act, applies to crimes committed after the effective date of
32 this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred House Bill 1751, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 2 with "[EFFECTIVE UPON PASSAGE]".

Page 1, line 4, after "that" insert **"have been marked for export outside the United States with a label or notice in compliance with 27 CFR 290.185 or that"**.

Page 1, between lines 12 and 13, begin a new paragraph and insert:

"(c) A person may not affix a stamp on a package of cigarettes, cigarette papers, wrappers, or tubes if the individual package has been marked for export outside the United States with a label or notice in compliance with 27 CFR 290.185."

Page 1, line 13, delete "(c)" and insert "(d)".

Page 2, line 1, delete "(d)" and insert "(e)".

Page 2, line 4, delete "(e)" and insert "(f)".

Page 2, line 10, delete "(f)" and insert "(g)".

Page 2, between lines 14 and 15, begin a new paragraph and insert:

"(h) It is not a defense in a criminal proceeding for a violation of subsection (a) or (c) that the label or notice in compliance with 27 CFR 290.185 has been removed, mutilated, obliterated, or altered in any manner."

Page 2, line 15, delete "(g)" and insert "(i)".

Page 2, line 17, delete "(h)" and insert "(j)".

Page 2, line 21, delete "June 30, 1999." and insert **"the effective date of this act."**

Page 2, after line 21, begin a new paragraph and insert:

"SECTION 3. An emergency is declared for this act."

and when so amended that said bill do pass.

(Reference is to HB 1751 as introduced.)

BOTTORFF, Chair

Committee Vote: yeas 14, nays 0.



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HOUSE MOTION

Mr. Speaker: I move that House Bill 1751 be amended to read as follows:

Page 1, line 3, delete "UPON PASSAGE" and insert "**JULY 1, 1999**".

Page 2, line 32, delete "UPON PASSAGE" and insert "**JULY 1, 1999**".

Page 2, delete line 35.

(Reference is to HB 1751 as printed February 9, 1999.)

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